

OCTOBER 11, 2002

No. 002-304

FOR MORE INFORMATION:

Jim Stevenson, Communications Director, Medical Assistance, DSHS, 360-902-7604

DSHS FILES STATE AGENCY'S OUTLINE FOR COMPLIANCE WITH NEW HIPAA HEALTH-CARE BILLING CHANGES, CODES

OLYMPIA – The Washington State Department of Social and Health Services (DSHS) has filed a model compliance plan with the federal government to comply with a law that will standardize electronic exchanges of health care information between providers, hospitals and the state's Medicaid, disabilities, mental health and nursing home programs.

The law – known as the Health Insurance Portability and Accountability Act, or HIPAA – is aimed at bringing hundreds of noncompliant computer information systems together in a single set of codes. Those transactions can then be used by everyone in U.S. health care without the need to invest in more and more expensive translators or other exotic software.

<http://cms.hhs.gov/hipaa/hipaa2/ASCAForm.asp>

Currently, as much as 25 cents out of each health-care dollar spent in the United States goes to administrative overhead, including the cost of sending health-care information back and forth.

The state's compliance plan, filed with the federal Centers for Medicare and Medicaid Services (CMS) in September, calls for bringing the DSHS computer systems into compliance with the new rules by October 2003. The original HIPAA deadlines called for compliance this year, but CMS and Congress are allowing a one-year extension for states and other covered entities, providing they file for it by October 15, 2002.

Other sections of the HIPAA law deal with guarantees that will ensure the privacy of electronic health-care information and the security of the computer systems in which it is stored. The privacy changes are effective in April of 2003. A compliance deadline for the security changes is still pending.

The state's filing also is a reminder to other Washington state health-care providers – from individual doctors and other health-care providers to clinics and hospitals – that they may need to file their own model HIPAA compliance plan by the October 15 deadline.

The HIPAA law applies to all kinds of health care – mental health, institutional and home health care, drug treatment, as well as medical assistance, among many others. The law will consolidate several hundred different kinds of computer transactions into a single set of streamlined transactions that can be used by any health-care provider in the United States.

DSHS and several other state agencies have been working on HIPAA projects for more than two years, sharing information and analysis, keeping the state's provider community abreast of developments and plans, and operating a HIPAA web site for both public and government partners (<http://maa.dshs.wa.gov/dshshipaa>).

More information about the HIPAA extension and how providers can apply for the federal extension is available on the Internet at <http://cms.hhs.gov/hipaa>

#-#-#

EDITORS: To learn more about HIPAA compliance efforts in Washington state, visit the HIPAA web sites or <http://cms.hhs.gov/hipaa/> Interested parties can e-mail stevejh2@dshs.wa.gov for a free fact sheet on HIPAA compliance and Washington state. To file for the one-year extension, go directly to at <http://cms.hhs.gov/hipaa/hipaa2/ASCAForm.asp>

Here are HIPAA's three major rules:

Transactions: Replace proprietary electronic formats used to perform various health-care transactions with a standard, industry-wide format. *Extended deadline: October 2003*

Privacy: Set down privacy standards that will safeguard the electronic transmission of health-care information and maintain the confidentiality of personal medical records.

Deadline: April 2003

Security: Establish verifiable security systems to prevent unauthorized access to personal medical records and payment information. *Deadline for compliance: Still pending, but cannot be set earlier than Dec. 2004.*